

they generally vote for their own motion. This has been done on different occasions, notably in 1865 and 1870, and I think we ought to follow the practice of the Canadian Parliament. According to my opinion, the mover and seconder are free to vote as they like.

Question put and motion (Mr. Mousseau) agreed to, on the same division.

#### SUPPLY—CONCURRENCE.

Resolution reported from Committee of Supply (March 11), read the second time and agreed to.

House adjourned at  
Five minutes before  
Five o'clock.

### HOUSE OF COMMONS.

Friday, 14th March, 1879.

The Speaker took the Chair at Three o'clock.

PRAYERS.

#### BILLS INTRODUCED.

The following Bills were severally introduced and read the first time:—

Bill (No. 49) To repeal so much of the Act 33 Vict., chap. 46, as relates to the collection of dues and tolls upon logs, timber, cedar, pine, and railway ties passing down the Moira River through the port of Belleville.—(Mr. McCuaig.)

Bill (No. 50) Respecting La Banque Jacques Cartier.—(Mr. Girouard, Jacques Cartier.)

Bill (No. 51) To amend the Penitentiaries Act, 1875.—(Mr. McDonald, Pictou.)

#### WAYS AND MEANS—THE BUDGET.

House resolved itself into Committee of Ways and Means.

Mr. TILLEY: Mr. Chairman, it is only recently, Sir, that I have fully realised the great changes that have taken place throughout the Dominion of Canada since I last had the honour of a seat in Parliament, and, to-day, I fully realise the great change that has taken place, and the increased difficulties devolving upon me, as Finance Minister, compared with the position of affairs when I submitted my financial statement in 1873. Then, Sir, my work was a very easy one indeed. Hon. members on the opposite benches were pleased, on that occasion, to compliment me on that state-

ment, but I felt that I had earned no compliment; that if that speech was acceptable to the House at that time, it was because of the satisfactory statements I was able to make with reference to the condition of the Dominion and of the finances of the Dominion. Then, Sir, I was able to point to steady and increasing surpluses and revenue, and that in the face of a steady reduction of taxation. Then, Sir, I was able to point, with some degree of confidence, to the prospective expenditures of the Dominion, extending over ten years. To-day I cannot speak of it with the same confidence. Then the construction of the Pacific Railway was under regulations that confined and limited the liabilities of the Dominion to \$30,000,000. To-day I am not in a position to say what expenditure or responsibilities we may have to incur with reference to that great undertaking. There has been a change in the policy, but it will become the duty of the Government and of Parliament to consider, while we have not the limit to our liabilities that we had—our money liability being then \$30,000,000, with 50,000,000 acres of land—whether we cannot, by some means, construct that great work largely out of the 200,000,000 acres of land lying within the wheat area of that magnificent country. Then, Sir, I could point with pride, and with satisfaction, to the increased capital of our banks and the large dividend they paid. To-day I regret to say that we must point to depreciated values, and to small dividends. Then I could point to the general prosperity of the country. To-day we must all admit that it is greatly depressed. Then I could point with satisfaction to the various manufacturing industries that were in operation throughout the length and breadth of the Dominion, remunerative to the men who had invested their capital in them, and giving employment to tens of thousands. To-day many of the furnaces are cold, and the machinery in many cases is idle, and those establishments that are in operation are only employed half time, and are scarcely paying the interest on the money invested. Then, Sir, we could point to the agricultural interest as most prosperous, with a satisfactory home market and satisfactory prices abroad. To-day they have a limited market, with

low prices, and anything but a satisfactory market abroad. Then, Sir, we could point to a very valuable and extensive West India trade; to-day it does not exist. Then, Sir, we could point to a profitable and direct tea trade, that has been demoralised and destroyed. Then everything appeared to be prosperous; to-day, though it looks gloomy, I hope there is a silver lining to the cloud, that we may yet see illuminating the whole of the Dominion, and changing our present position to one of happiness and prosperity. Mr. Chairman, there has been, and very naturally so, a good deal of interest and anxiety manifested on the part of the friends of the National Policy, as it is called, in regard to its early introduction. I can quite understand that, because believing as they do, and as a majority of this House do, that that policy is calculated to bring prosperity to the country, it was but natural that they should be anxious for its introduction, and that not a day should be lost. And it is satisfactory to know that, great and difficult as is the responsibility which rests upon me here, I trust that the proposition I am about to submit will be sustained, not only by a majority of this House, but by an overwhelming majority in the country. It was natural, therefore, Mr. Chairman, that the friends of this policy should be anxious for its introduction, and it was pleasing and satisfactory to see that even the Opposition vied with the friends of the Government in their anxiety for its introduction. It is most encouraging to me, because, of course, all Oppositions are patriotic, and certainly a patriotic Opposition, anxious for the introduction of this measure could not have desired that a bad measure, and one not calculated to benefit the country should be forced hastily upon it. Therefore, I take it for granted that, in addition to the support from the gentlemen behind me, we will have the support of gentlemen opposite to our policy and the propositions we are about to submit. But, perhaps, it will not be out of place for me to offer a few remarks in justification of the apparent delay that has taken place. It will be remembered that the Government was only formed on the 19th October. Some delay took place in awaiting the arrival in Canada of an hon. member, who, I am

MR. TILLEY.

satisfied, is one whom, whatever the political opinions of gentlemen of this House may be, all would have been anxious to see consulted before the Government was formed—I mean the Minister of Militia. The Government, therefore, was not completed till the 19th October. The members of the Government had to return for re-election, and those elections, though they were hastened with all possible rapidity, because we felt there was a great deal of work to be done, were not over until the early part of November, when we returned to the city of Ottawa. And what did we find? As Minister of Finance, I cannot say I found the finances in the most satisfactory condition. I found, Sir, that we had maturing in London, between the early part of November and the 1st of January, an indebtedness of \$15,500,000 with nothing to meet it but the prospective payment of the Fishery Award. On this side of the Atlantic we had in the various banks of the Dominion something like \$5,000,000, and between that date and the 1st of January, with the subsidy of the Provinces and payments to contractors who were constructing public works, something like \$3,000,000 had to be paid; and then, considering the position the banks were in all over the Dominion, the uncertainty as to what might transpire, it was just possible that a reduction in the reserves might take place, and that meant a demand on the Dominion Treasury. Every dollar we found it necessary to take from the banks at the time was embarrassing, and was reluctantly withdrawn. But it was inevitable that the Finance Minister should proceed to London, with the least possible delay, that arrangements might be made to sustain the credit and the honour of the Dominion. Well, Sir, in order to avoid that, feeling the importance of every member of the Government being at his post in order to prepare measures for the meeting of Parliament, a cable message was sent to our agents on the other side to ask if the visit of the Finance Minister to London could not be avoided. The answer was “No; his presence here is absolutely necessary.” Under these circumstances, I proceeded to London, and I placed a loan of £3,000,000 sterling upon the market there. While referring to that, it might

not be out of place to offer a few observations in reference to that loan, as it has been criticised. That loan, as the prospectus shows, was offered to the highest bidder, and tenders were asked up to 3 o'clock, on the 6th December. At that hour, owing to a variety of circumstances, and among them I may name the suspension, on that day, of the West of England Bank, and the anticipated suspension of that bank for several days previous, which led to the demand from the country banks on the banks in London, for gold to strengthen their position, placed several of the London institutions in such a position that they could not tender, although they had intended to do so at an earlier period—about £1,700,000 were tendered for, on that day, out of the £3,000,000, and it was then stated that the loan would be kept open till the following Monday, at 3 o'clock. On that day, it was announced that the balance of the loan had been taken, and I was in a position to make my arrangements to leave on the 12th, having made provision to meet our maturing indebtedness, and on the 13th of that month the first instalment on that loan was paid into the hands of our agents. Now, Mr. Speaker, if there should be any further criticism in this House, or elsewhere, with reference to my absence from this country; if it should be said by any hon. gentleman in this House that the time selected for placing that loan on the market was an unfavourable one; if it should be said that it was the most unfavourable time, looking at the condition of the London money market, in which any of the Dominion loans had been floated; if it is said that that loan should have been floated in May or June, when money was bringing but two per cent. instead of six per cent. and seven per cent. when it was negotiated; if such should be said, or any reflections be made with reference to my absence in England, I will ask my hon. friend—my predecessor—to make my defence. Then, Sir, after my return to Canada, it became necessary that we should consider the whole question of the tariff. It is not a question that can be settled in a day. It is not a question that can be settled intelligently in weeks, indeed it would have been well if we could have had more time to con-

sider it than we have had, considering the magnitude and importance of the work. I can appeal to other Finance Ministers, and especially to my predecessor, who, in 1874, made several changes in the tariff of that day, to speak of the difficulties there are in making even as few changes as were then made. But if we undertake, as the present Government have undertaken, to readjust and reorganize, and, I may say, make an entirely new tariff, having for its object not only the realisation of \$2,000,000 more revenue than will be collected this year, but, in addition, to providing for that deficiency, to adjust that policy, or that tariff with a view of making what has been, and is to-day, declared the policy of the majority of this House—I mean the protection of the industries of the country—the magnitude of the undertaking will be the better appreciated. Sir, we have invited gentlemen from all parts of the Dominion, and representing all interests in the Dominion, to assist us in the readjustment of the tariff, because we did not feel, though perhaps we possess an average intelligence in ordinary Government matters, we did not feel that we knew everything. We did not feel that we were prepared, without advice and assistance from men of experience with reference to these matters, to readjust and make a judicious tariff. We, therefore, invited those who were interested in the general interests of the country, or interested in any special interests. Gentlemen who took an opposite view, met us and discussed these questions, and I may say that, down to as late a period as yesterday, though the propositions are submitted to-day, we were favoured with the co-operation and opinion of gentlemen who represent their particular or general views with reference to the great questions we have under consideration. We have laboured zealously and arduously, and I trust it will be found successfully, and we are now about to submit our views for the consideration of this House. I think we may appeal with some degree of confidence to gentlemen in opposition, in approval of the early period at which this tariff is being introduced, when I call to the minds of those hon. gentlemen that their Government was formed on the 7th of

November, 1873; ours on the 19th of October; that my hon. predecessor did not submit his tariff and Budget speech until the 14th April, this being the 14th March. When we submit to this House the result of our deliberations, you will all understand the nature and extent of the consideration that must necessarily have been given to them. I trust that this House and the country will feel that we have presented our views at as early a period as possible, taking all these facts into consideration. Now, Mr. Chairman, I desire to call the attention of the House in the first place to the Estimates. I will not occupy your attention with the expenditure for the years 1877-78. That is before you in the Public Accounts. But I desire to call the attention of the House, in the first place, to a few facts with reference to the expenditures for this year. It will be borne in mind, Sir, that in the Estimates submitted by our predecessors last year of the income and expenditure of the present year, the Estimated income exceeded slightly the estimated expenditure. The estimated expenditure in round numbers was \$23,600,000. It will be found the expenditure of this year will exceed \$24,000,000. The Supplementary Estimates that I will submit to the House in a few days will be for Dominion Lands, \$7,000; Post Office Department, \$20,000; Public Works, revenue, that is railroad, \$186,000 in excess of the estimates, notwithstanding the efforts that have been made, and are being made, and will continue to be made, by the hon. the Minister of Public Works to reduce that expenditure. For Customs, in addition to the estimates of last year, a subsequent estimate of \$17,740 will be required for the expenses of collecting revenue; Mounted Police, \$40,000; Indians under treaty arrangement, \$44,674; Ocean and River Service, \$19,770; Public Works and Buildings, \$116,386; Militia (special), \$20,261. This is in connection with the troubles that occurred in Montreal. The Paris Exhibition, \$25,000; Charges of Management, which were omitted in the Estimates of last year, \$75,000, and which was in connection with the redemption of the debt of \$7,500,000; Election expenses, in addition to the vote that was made, \$60,000; Peniten-

tiaries, \$12,500; Sundry Minor Expenses, \$10,000, making altogether, \$554,424; less Public Works revote, carried over to be expended next year, \$163,000; on other services, \$75,000, making a total of \$238,000, and leaving the supplementary estimated expenditure, over and above the estimates of last year, \$416,424. This, added to the estimates, makes the total estimated expenditure of \$24,085,424. Estimated revenue for the present year, taking the first six months as our guide, and it is a very fair guide, under ordinary circumstances, will be \$21,620,000. Now, Mr. Chairman, it will appear from the returns that will be laid on the table of the House, that in the last three or four weeks a very large sum has been collected on Customs and Excise. This arises from the anticipated changes in the tariff. But, taking, previously stated, the first six months as a criterion, the estimated revenue will be \$21,620,000, leaving a deficiency of \$2,400,000. This is not very encouraging for the present year. Last year, as you see by the Public Accounts, the deficiency was between \$1,100,000 and \$1,200,000. Notwithstanding all the efforts that have been made, the saving that will be made in the Agricultural Department, the saving that will be made by the Minister of Public Works in connection with the railways, and the savings that have been made by the removal and dismissal of supernumerary employes in the different Departments; notwithstanding all this, there will still be a deficiency of \$2,400,000. Now, I will call the attention of the House for a few moments to the Estimates of next year. As these are before the House, I can deal more intelligently with them and call attention to the increase and decrease under these estimates. In the interest on the public debt, you will find that there is a very considerable increase. The increased interest is payable in England, in consequence of the last loan. The estimated amount for the new loan placed in last year's Estimates was \$504,000. Charges of Management, paid in England \$60,000, less savings in service \$6,500; total increase in the Charges of Management, \$53,000. There is an amount under this head that is payable

in connection with the redemption of the debt of \$6,000,000, on the 1st January next, and this corresponded with the item omitted last year, in connection with the redemption of \$7,500,000 in January last.

MR. CARTWRIGHT: I am very sorry to disconcert the hon. gentleman, unless with his permission. If my memory serves me, it may interest the House to know exactly how these two heavy charges on the debt which he paid, and is about to pay, have accrued. I would just suggest that he should mention that to the House.

MR. TILLEY continuing, went into an elaborate statement of the estimated expenditure for 1879-80, shewing a net decrease of \$241,191. He also went into the obligations to be met, and proved that a deficiency of \$1,600,000 would have to be met, even should the \$850,000 estimated as properly belonging to next year's revenue, be placed to the credit of the current year. He continued: In my opening remarks, I referred to the difficulty with which we have to grapple. We must, if we meet the expenditure of next year, our interest, the charges upon our revenue, and the necessary expenditure which the country has a right to expect, ask from this House the authority to receive a revenue from the customs of \$2,000,000 more than received this year. We have also, in arranging for the levying of that duty, to consider how it can best be imposed to encourage the industries of the country. It would be well, before I enter upon the consideration of this point of the question to ask ourselves what are the circumstances that have led to the reduction of revenue and to the present depressed condition of the country? With reference to the reduction of the revenue, I have heard it remarked that it is strange that the production of the revenues of late years has been so great. Perhaps there is as much prosperity here as in many other parts of the world; then why was there such a falling off in our revenue compared with the revenues of the United States and Great Britain? When we examine the case, we ascertain the fact that nearly all the revenue collected in England and

a large portion of the revenue of the United States is from specific duties, and, therefore, the decrease in the value of imports does not, in those countries, materially affect the revenue, whereas in the Dominion the duties are principally *ad valorem*, and, therefore, largely affected by the decrease in the value of goods imported. It is established by comparative statements that the goods imported into the Dominion have decreased in value to the extent of 33½ to 40 per cent., and the duties on those imports being levied largely on the *ad valorem* principle, there has been a falling off in the revenues of Dominion in a corresponding proportion. In the proposition I am about to make, it will be shown—and I state this fact in order that the House may perfectly understand the nature and extent of those propositions—that on many articles on which we propose an increase of duty, 25 per cent., levied on the value, will not bring more per yard than we received on a 15 per cent. tariff in 1873. We will, by way of illustration, take 100 yards of cloth, valued in 1873 at \$1 a yard; the duty collected on it would have been \$15. The same cloth is worth now but 60c. per yard, and it would require a tariff of 25 per cent. to produce the amount of revenue received from the same quantity in 1873. It is important to bear this fact in mind, because, while it may be thought on the other side of the Atlantic, and by our neighbours, that we are increasing largely our taxation, and imposing increased duties on the products of other countries, it is well to make it understood that, if our duties had been specified, we would have been receiving the same amount of revenue as in 1873. There are other difficulties: the volume of imports has not much diminished. Regarding the matter as I do, I think it is to be regretted that the volume of imports has not been materially reduced. I look upon the large imports, ever since the Dominion was organized, showing a large balance of trade against it, as one of the causes of the troubles with which we have to contend—one of the difficulties that it is our duty, if possible, to remedy. They have been decreasing to a certain extent, but are still very large, showing distinctly and clearly, in my judgment,

that they ought still to be further diminished. I know there are hon. gentlemen here, and elsewhere, who entertain the opinion that the balance between the imports and exports is not a correct mode of judging of the condition of a country. I know that opinion is entertained by hon. gentlemen opposite. But let us, just for a few moments, turn our attention to the condition which England occupies to-day, as compared with the United States. From 1867 to 1873, the balance of trade against England amounted, in the average, to £50,000,000 sterling. It is quite true that difference was met by interest, the returns from her vessels, and in various ways, to an extent largely counterbalancing it, or leaving a balance in favour of England. By the last return I have, which covers the year 1877, the balance of trade against her is shown to be £140,000,000 sterling, or \$700,000,000 per year. The balance of trade against the United States in 1872 was \$116,000,000; in 1873 it was reduced to \$66,000,000; but last calendar year showed that balance in favour of the United States had reached \$300,000,000 a year. I think, then, without entering into a discussion here of Free Trade and Protection, so far as it affects England and the United States, we may fairly conclude that the prosperity of the one country, at this moment, is caused in a great measure by the large surplus in its favour, and the depression in the other by the large deficiency. Under these circumstances, it appears to me we should turn our attention to the best means of reducing the volume of our imports from all parts of the world. Let me refer to some circumstances that led to the present depression in the revenue. During and after the war in the United States, it is well understood that the country lost a large portion of its export trade, and its manufacturing industries had been to a certain extent paralyzed, and it was only about 1872 or 1873 that they really commenced to restore their manufacturing industries, and endeavoured to find an extended market elsewhere for the manufactures of their country. Lying as we do alongside that great country, we were looked upon as a desirable market for their surplus products, and our American neighbours, always

MR. TILLEY.

competent to judge of their own interests and act wisely in regard to them, put forth every effort to obtain access to our market. It is well known by the term slaughter-market what they have been doing for the last four or five years in Canada; that in order to find an outlet for their surplus manufactures, they have been willing to send them into this country at any price that would be a little below that of the Canadian manufacturer. It is well known also that they have had their agents in every part of the Dominion seeking purchasers for their surplus, and that those agents have been enabled, under our existing laws, to enter those goods at a price much lower than they ought to have paid, which was their value in the place of purchase. It is well known, moreover, that the United States Government, in order to encourage special interests in the country, granted a bounty upon certain manufactures, and gave to them the exclusive market of the Dominion, and, under those circumstances, we have lost a very important trade, possessed previous to 1873, in addition to the loss of the West India trade, and by the repeal of the 10 per cent. duty on tea, we lost the direct tea trade, and all the advantages resulting from it, by its transfer from the Dominion to New York and Boston. Under all those circumstances, and with the high duty imposed by the United States on the agricultural products of the Dominion, by which we are, to a great extent, excluded from them, while the manufactures of that country are forced into our market, we could not expect prosperity or success in the Dominion, so long as that state of things continued. These are some of the difficulties which have led to our present state of affairs. Now, after having made these few remarks on that head, I desire to call the attention of the House to the remedy. I know this is a difficult question—that it is the opinion of some hon. members, that no matter what proposition you may make, or what legislation you introduce, it cannot improve or increase the prosperity of the country. The Government entertain a different opinion. I may say, at the outset, it would have been much more agreeable if we could have met the House without the necessity

of increased taxation. But in the imposition of the duties we are now about to ask the House to impose, it may be said we will receive from the imports from foreign countries a larger portion of the \$2,000,000 we require than we will receive from the Mother Country. I believe such will be the effect, but I think that in making such a statement to this House, belonging, as we do to, and forming a part of that great country—a country that receives our natural products without any taxation, everything we have to send to her—apart from our national feelings, I think this House will not object if, in the propositions before me, they touch more heavily the imports from foreign countries than from our Fatherland. I have this to say to our American friends: In 1865 they abrogated the Reciprocity Treaty, and from that day to the present a large portion of the imports from that country into the Dominion have been admitted free. We have hoped, but hoped in vain, that by the adoption of that policy we would lead our American friends to treat us in a more liberal spirit with regard to the same articles. Well, after having waited twelve years for the consideration of this subject, the Government requiring more revenue, have determined to ask this House to impose upon the products of the United States that have been free, such a duty as may seem consistent with our position. But the Government couple with the proposal, in order to shew that we approach this question with no unfriendly spirit, a resolution that will be laid on the table containing a proposition to this effect: That, as to articles named, which are the natural products of the country, including lumber, if the United States take off the duties in part or in whole, we are prepared to meet them with equal concessions. The Government believe in a reciprocity tariff, yet may discuss Free-trade or Protection, but the question of to-day is—Shall we have a reciprocity tariff, or a one-sided tariff? The Government propose to do more. We had not been long the advisers of His Excellency before we decided that it was of the utmost importance to extend our trade with the British and foreign West India Islands, and, if possible, with South America, and that we should secure, if

possible, the admission of our ships into France at the same rate of duty as is charged upon British-built ships. Turning their attention to this subject, they advised His Excellency to appoint Sir Alexander Galt, one of the ablest statesmen in the Dominion—a gentleman whose experience in connection with the finances of this country, and whose knowledge of its trade and commerce cannot be surpassed by any, as a delegate to confer with the Government of Spain, and with the authorities in the British West India Islands, and associated with him Colonel Bernard, as assistant companion. I think that this House will sustain the action of the Government in this matter. These gentlemen went to Madrid, with the approval of the British authorities, to make arrangements with the Spanish Government to open up a trade with the Spanish West Indies. The papers on this subject we would gladly lay before the House, but at this time it would not be expedient to do so. In visiting England, my colleagues authorised me to communicate with the Imperial Government and ascertain if some arrangements might not be made, through their Minister in Paris, for the admission of our ships at two francs per ton, the same as paid by the British Government. Finding my time was limited and that it was necessary to return immediately, I stated to the Secretary of State for the Colonies the nature of the duties imposed upon me by the Government. I asked His Lordship's permission to charge Sir Alexander Galt with this duty also. It was agreed to, and he has made some progress in these negotiations. I trust before long to be able to submit the whole correspondence with reference to this matter for the information of the House. But, Sir, desiring not only to extend our trade with these countries, we felt that it was necessary to protect ourselves in other directions. We found, Sir, as I stated before, that it was important to encourage the exportation of our manufactures to foreign countries, and we are prepared now to say that the policy of the Government is to give every manufacturer in the Dominion of Canada a drawback on the duties they may pay upon goods used in the manufactures of the Dominion exported. We found also, Sir, that under the bounty system of some foreign

countries, our sugar-refining trade, and other interests, were materially affected. Well, Sir, the Government have decided to ask this House to impose countervailing duties under such circumstances. I trust that this proposition will receive the support of both sides of the House, because some six months since, when the deputation of sugar refiners in London waited upon Mr. Gladstone and Sir Stafford Northcote, both of them being gentlemen representing Free-trade views, they declared, in the most emphatic terms, that when Government came in and interfered with the legitimate trade of the country they were prepared to impose countervailing duties. To make this matter plain, and place it beyond dispute, the Government propose to ask the House for authority to collect on all such articles an *ad valorem* duty on their value, irrespective of drawbacks. My colleagues say explain it. For instance, a cent and a quarter drawback per pound is granted on cut nails exported to the Dominion of Canada; the duty will be calculated on the value of the nails, irrespective of that drawback. Now a bounty is given on sugar in excess of that which is paid by the sugar refiners; the Government will exact an *ad valorem* duty on the value of that sugar, irrespective of the drawback. I may also state, Mr. Chairman, that another reason why I think our American neighbours should not object to the imposition of the duties we propose is this: It is a fact, though not generally known, that the average percentage of revenue that is imposed on all imports into the Dominion of Canada, at the present time, taking the returns for last year as our criterion is  $13\frac{3}{4}$  per cent. The amount of duty collected on the imports from Great Britain is a fraction under  $17\frac{1}{2}$  per cent.; while the amount of duty collected on the imports from the United States is a fraction under 10 per cent. If our friends across the border will not give us the Reciprocity Treaty again, they cannot find anything to object to in the imposition of these duties, if it bears a little more heavily on the articles imported from that country than they desire. When I state that the imports entered for consumption from Great Britain amounted in 1878 to \$37,431,000, and in 1873 to \$63,000,976, or nearly double; the im-

ports in 1877-8 from the United States were \$48,631,739, and for 187-34 \$54,283,072, there has been a slight falling-off; while, from England, it has been about one-half, under the operation of the present tariff. But, Sir, the House is more interested in the nature of the proposals we are about to submit than in the statements I have just made. Before I come to that, Sir, it is the first opportunity that has been afforded me of saying a few words to my hon. friend my predecessor. I know this subject is not of such importance as to justify me, at this time, in occupying much of the time of the House, but I must take this opportunity of thanking my hon. friend the member for Cumberland, who, in my absence, so eloquently defended my policy of 1873, who so ably met the statements made by my hon. predecessor. I recollect that, on a similar occasion, perhaps the first in which he had addressed the House as Finance Minister, he regretted that there had not been on the floor of the House a gentleman who had been a Finance Minister belonging to the other side. I felt, Sir, after reading the speech of my hon. friend from Cumberland (Mr. Tupper), that if it had been in the power of my hon. friend from Centre Huron (Mr. Cartwright) to have translated my hon. friend to Fredericton, and brought me back, he would have willingly made the exchange. I think so. But what did my hon. friend (Mr. Cartwright) do when he visited my constituents last summer? He, no doubt, desired to enlighten them. But I may be pardoned in saying I judged that one of the objects was to secure the defeat of some of the candidates, myself amongst the number. I recollect that he referred to the fact that I—and he spoke of it as my crowning offence—as Finance Minister, in 1873, had brought down Supplementary Estimates \$800,000 or \$900,000 in excess of the estimated receipts. I recollect the manner in which he dwelt upon this; the strong way in which he endeavoured to impress on the mind of my constituency what a great offender I had been, and that this was my crowning offence. Sir, he might have told that immense gathering that I, at the time, stated that the Estimates were then, as they were on previous years, largely in excess of the

sum that was expended. He might have told them that it was probable the receipts would be ample to cover the expenditure, and that I stated that should not such be the case, the \$800,000, the anticipated surplus of the then current year, would be amply sufficient to meet the deficiency. He might have said that. He might, Sir, have gone on and told them, though Mr. Tilley has been such a blunderer, I, the Minister of Finance, have, for four years in succession, had a large deficiency. I have made no provision for it. He might have pointed to the fact that, when the late Government were in power, they had a surplus of \$10,000,000, which the deficiencies under the present Government during the last four years had reduced to \$3,000,000, their deficiency being seven millions during the last four years. Taking the whole six years about \$5,000,000. But, I will say this, because I do not want to decry the credit or the standing of the Dominion: that we are in a position to state that, taking the whole twelve years into account since the organization of this Dominion; taking our surplus of twelve years; taking the amount of \$500,000, which had been charged improperly to income, that ought to have been charged to railways, and adding the \$4,500,000 received from the fishery award, and deducting the deficiency, it will be shown there was a surplus over and above the expenditure amounting to \$10,000,000, or nearly so, which shows, despite what has occurred during the last three or four years, that this Dominion has life and vitality if its affairs are properly administered. I will go, if my hon. friend will permit me, in imagination with him to his constituency on the 17th September. I will meet him there, on his return from Kingston, where he was engaged in a work, to him, no doubt, a labour of love.

Some Hon. GENTLEMEN: Successful labour.

MR. TILLEY: Where he found that, for the first time in his public life, the constituency that had stood by him—no matter what side of politics he was on—had deserted him, and I can see him as he receives his telegrams later on, finding that one friend after another has fallen, and that the Government is in a terrible minority—I can imagine, Sir, that I can

see him pacing the floor, greatly agitated, and saying: "Well, this is terrible; this is hard." I can see him a little after with his countenance somewhat more placid and resigned. I can hear him exclaiming, as he has been thinking over the deficiencies for the last four years, and the condition of the finances. I can hear him say aloud: "Well, terrible, terrible has been the judgment. Looking at it in the light in which I judged my political opponents, however, the verdict is just." Now, Sir, we may have some other opportunities of considering the past, but the country is looking to the future; is looking for something more than badinage or recrimination between the two sides of the House, and asking: What are you going to give us as a remedy for all the evils existing? The anxiety of the Opposition for this remedy appears so great. The leading organ cries: "Let us have it now!" and it is echoed from hill-top to valley. They wanted it now; they could not wait a day for it; they were so anxious to get it, I hope it will be pleasing to them and to the whole country. I may say, at the outset that, in considering this question of the tariff and protection to our industries, the Government considered how they could best discharge their duty to the Dominion; how they could best accomplish the object the country desired to see accomplished. We might obtain two million dollars by the imposition of duties upon certain articles, and appear to give protection, but in reality give none whatever. We might obtain a revenue from the increased duties, but not place it in such a position as to give real encouragement and protection to the industries they desire to protect. And, therefore, Sir, in arriving at the conclusions at which we have arrived, and which are to be submitted to the House, we submit them with the full conviction that they will be effective in their character, and give ample protection to all who are seeking it, and who have a right to expect it. I fear that I may weary the patience of the House, but really the importance of the subject is such that, if I am tedious, you will pardon me, for I desire to be as clear as possible. The tariff is in a somewhat voluminous form, and I can only give extracts from it in order to

show the general changes we have made. Still, I have classed them under different heads in order the more intelligently to explain it to the House, and I expect that to-morrow morning hon. members will have the resolutions in printed form.

Mr. MACKENZIE : We shall keep very quiet.

Mr. TILLEY : I hope you will. I propose to deal first with cotton goods, and I may say here, before reading the schedule I have before me, that the principle the Government has adopted with respect to many of these articles, is this : That where there are certain grades or descriptions of manufactures, the policy of the Government is this : To select for a higher rate of duty those that are manufactured, or can be manufactured, in the country, and to leave those that are not made in the country, or likely to be made in the country,—such as printed cottons,—at a lower rate of duty. It is difficult, in some descriptions of goods, to draw the line and make distinction ; with reference to cotton goods we have but little difficulty in doing it. There are certain portions made here, and certain portions that are not made here, and a line can be clearly and distinctly drawn. The proposition of the Government with reference to these goods, is as follows :—Cotton wool, cotton waste, free ; and I may state, for the information of hon. members, they must not suppose that the free goods named here are all that are in the list ; but, in order to bring it intelligently under the particular class of which I am speaking, where a portion is free and a portion paying duty, I introduce the free goods with that list, but it is separate and distinct by itself. Bleached or unbleached cottons, sheetings, drills, ticks, cotton and Canton flannels, not stained or painted, one per cent. per square yard, and 15 per cent. *ad valorem*. Now upon the question of under-valuation I may say a few words. One of the great difficulties that was pointed out to the Government by every delegation was the under-valuation of goods, and I may state here that the Government will ask you for a vote of money to enable them to overcome this difficulty, and they will also ask you for power and authority, such as the United States has, and exercises to-day, to fix out, through their officers, the value of

Mr. TILLEY.

the goods in the country from whence they are imported. The great difficulty I have pointed out is stated on all hands ; it makes but little difference what the rate of duty you impose, unless you prevent the under valuation. Now, we propose appointing additional officers, whose special business it will be to ascertain, in the different countries, what the value of the goods are in that country or that city from whence they are imported, and to impose the duty on those values, and to collect them. But, notwithstanding that there will be a difficulty, and to obviate that difficulty, and to reach certain special classes of goods, it has been considered desirable, with these particular industries, to make a specific and *ad valorem* duty. Under these circumstances, we have decided that, in respect to this class of goods, 1c. per yard, and 15 per cent. *ad valorem* should be imposed. On all cotton sheeting, drillings, bed-tickings, plaids, cotton and Canton flannels, tickings and drills, dyed or coloured, pantaloons stuff and goods of that description, 2c. per square yard, and 15 per cent. *ad valorem*. These are articles, the value of which is well known in the trade, and we impose specific and *ad valorem* duties.

Mr. MACKENZIE : Can the hon. gentleman give us the values of those two classes ?

Mr. TILLEY : I have the rates here when we go into that question. I have the rates here, and shall be able to inform the House when we come to them. On all cotton batting warps, carpetings, knitting cotton, and other cotton yarns, under No. 40, not bleached, dyed or coloured, 2c. per yard, and 15 per cent. *ad valorem* ; on the same, if bleached, dyed or coloured, 3c. per pound, and 15 per cent. *ad valorem* ; on cotton warp, on denims, 1c. per yard, and 15 per cent. *ad valorem* ; on cotton smalls and bags, 2c. per pound, and 15 per cent. *ad valorem* ; on cotton shirts and drawers, woven or made with cotton, 30 per cent. *ad valorem* ; cotton sewing threads, 12½ per cent. ; on spools, 20 per cent. ; on all clothing made with cotton, or of which cotton is a component part, 30 per cent. ; on all manufactures of cotton, not elsewhere specified, and which comes

mainly from England, and which we do not make in this country, 20 per cent. I may state here, at the outset, that it is the intention of the Government to increase the  $17\frac{1}{2}$  per cent. list, as a whole, to 20 per cent., being goods that will yield, notwithstanding the articles that are taken out of the list, an increase of, perhaps, \$750,000 out of the \$2,000,000 required. We now come to silks: Silks, raw, or, if reeled from the cocoon, not manufactured, silk cottons and silk yarns, 15 per cent. *ad valorem*; sewing silk and silk twist, 25 per cent.; on silk velvets and manufactures, of which silk is a component part, not elsewhere specified, 30 per cent. *ad valorem*. Next in the list are leather manufactures: On sole leather, tanned or rough and undressed, and on morocco, 10 per cent. *ad valorem*; on sole and belting leather, tanned, and on all upper leather, not otherwise specified, 15 per cent. *ad valorem*; on the same dressed and harness, 20 per cent. *ad valorem*; on patent and enamelled leather, 20 per cent.; on all other leather and skins, tanned, not otherwise herein provided for, and on leather belting boots and shoes, and on other manufactures not otherwise provided for, now  $17\frac{1}{2}$  per cent., will be 25 per cent.; gloves of leather, 25 per cent.; leather board, 3 cents per pound. Marble in stone, or marble in block, rough on two sides, when not specially shaped, containing 15 cubic feet, or upwards, 10 per cent.; slabs, sawn on not more than two sides, 15 per cent.; planks and slabs, sawn on more than two sides, 20 per cent.; on finished marble, mantels of marble, and imitation marble, not elsewhere specified, 25 per cent. *ad valorem*; on stone, rough, freestone, sandstone and other stones, excepting marble, per ton of 13 cubic feet, \$1; or curb stone, in the rough, \$1.50 per ton; on water limestone, \$1 per ton; on dressed freestone, building stone and all manufactures of stone, 20 per cent. *ad valorem*; slate for roofing or slate-slabs, square and not specially stated, 20 per cent. *ad valorem*; school and writing slates, 25 per cent.; slate mantels, 30 per cent.; bricks for building, 20 per cent.; fire bricks or tiles for stoves and furnaces, 20 per cent.; hydraulic or water lime, ground, including barrels, 40 cents per barrel; Roman cement, 20 per cent. *ad valorem*; drain

pipes, 20 per cent., *ad valorem*. Now I come to another item that is, in some respects, in the same position as cotton goods, that is, earthenware and stoneware, brown and coloured, and Rockingham ware. That is an article made extensively in the Dominion of Canada. It is a coarse ware, but is manufactured extensively in this country, and all we require can be produced in the Dominion. It is proposed to select those articles that we can produce, and to impose a duty of 25 per cent. on earthenware and stoneware, and on C.C.-ware, an *ad valorem* duty of 30 per cent., while all other china and porcelain, and imports of that kind, come under the category of enumerated articles at 20 per cent. Gypsum, unground, free; gypsum, or plaster of Paris, ground, 20 per cent. *ad valorem*. Now I come to coal and coke. We propose that anthracite coal should pay a duty of 50c. per ton; bituminous coal, 50c. per ton; and coke, 50c. per ton—meaning a short ton of 2,000 pounds. In dealing with this matter, the Government had to consider what, in their judgment, would give barely the market of the Dominion to the coal deposits of Nova Scotia, because they are principally there. We know that, upon this subject, there has been some conflict of opinion; but the judgment of the Government is that, while the average import of coal into the Dominion of Canada during the last few years has been from 800,000 to 900,000 tons, and while the anthracite coal will continue to be largely imported, the Nova Scotia coal will take the place of a part of it. In the estimates of the Government, out of the 800,000 or 900,000 tons now imported, probably there will still be 350,000 tons of anthracite, and perhaps 150,000 tons of bituminous still imported, giving to the Nova Scotia coal the balance of 400,000 tons, with, of course, an additional supply, if, as we expect, our policy is successful, in consequence of an increased demand for coal to supply the growing manufactures of the country. The next class of articles proposed to be dealt with is books, papers and manufactures of paper. We experienced some difficulty in dealing with this item, and we called to our assistance gentlemen who know the trade thoroughly, who are acquainted with the interests on both

sides, and understand the matter from their own business point of view, and after conferring with them, the Government decided upon the following propositions:—Books, printed periodicals, pamphlets, bound or in sheets, not being foreign reprints of British copyrighted works, nor blank account books, copy books, Bibles, prayer books, psalm books or hymn books, six cents per pound. The Government adopted this principle, which is in operation in every country, I believe, except the United States, that the higher class and better class of books which cost a higher price than the objectionable and inferior books, where intellect has made the book valuable, a duty should not be placed upon the intellect, but the duty should be collected simply upon the value of the labour and the paper. Upon British copyrighted books 6c. per pound and  $12\frac{1}{2}$  per cent. *ad valorem*. On bibles, prayer-books, &c., 5 per cent., as at present. On books and pamphlets imported through the post-office, for every two ounces in weight and fraction thereof, 1c. A great many books are sent through the post-office from the United States and elsewhere into the Dominion of Canada, and the Customs authorities have experienced great difficulty in regard to them, but under this proposition it is not necessary to know the value, but simply the weight. Newspapers imported through the post-office free, blank books, through the post-office, 20 per cent. *ad valorem*; printed bill heads, cheques, receipts, drafts, posters, labels, advertising matter, &c., 30 per cent. *ad valorem*; advertising pamphlets, \$1 per hundred; printed music, bound, or in sheet, 6c. per pound; playing cards, 30 per cent.; engravings, prints, &c., 20 per cent.; maps and charts, 20 per cent.; articles not specified, 20 per cent.; on pulps for paper makers, 10 per cent.; mill and straw board, 10 per cent.; envelopes, &c., 25 per cent.; paper hangings and wall paper, 25 per cent.; printing materials and presses, 15 per cent.; printing type, 20 per cent.; type metal, 10 per cent.; type, old, and fit only to be re-manufactured, free; engraved plates, 30 per cent.; electrotypes, &c., 10 per cent. I now submit the proposition with reference to carriages,

MR. TILLEY.

furniture and wooden ware:—Railway carriages, cars, waggons, sleighs, wheelbarrows and like vehicles, 25 per cent. *ad valorem*; household or cabinet furniture of all kinds, not otherwise named, 35 per cent. Some hon. members may ask why the rate of duty on this description of manufacture is 5 per cent. higher than that in some others? Marble slabs and cabinet-maker's hardware pay a high duty, and the same may be said of other articles used by the manufacturers, such as varnish. On clocks the Government propose a like duty. On examination it was found that clocks are manufactured, and extensively too, in the Dominion, as the duty which enters into the manufacture of these clocks has been increased, the Government felt it right to ask the House to agree to this proposition. I was under the impression that clocks was an article on which it would not be wise to impose a duty, as with any protection we might give them, we could not compete successfully with our American neighbours. But I found in that busy city of Hamilton, which is represented by nearly every article in the schedule before me, there is a clock-making industry successfully established, and producing a very nice article, in a birds-eye maple frame, for seventy cents, and they have orders from England for 6,000 or 7,000 of these clocks. Picture frames, mouldings, &c., 25 per cent.; billiard tables with pockets,  $4\frac{1}{2}$  feet by 9 feet,—and with reference to these articles and the smaller class of organs and pianos, I may say that the Government have decided, after careful consideration, to impose a specific duty and an *ad valorem* duty,—billiard tables with pockets, 5 feet by 10 feet, \$25;  $5\frac{1}{2}$  feet by 11 feet, \$35; 6 feet by 12 feet, \$40; in addition to an *ad valorem* duty of 10 per cent. Musical instruments, organs with not over two sets of reeds, a specific duty of \$10; with more than two sets and not more than four, \$15; with more than four and not more than six sets, \$20; all having over six sets of reeds, \$30, and in addition thereto 10 per cent. *ad valorem* on the fair market value; square pianofortes, having not over seven octaves, \$25; upright pianofortes, \$30; concert or grand pianofortes, \$50, in addition to ten per cent. *ad valorem* on the fair market value. Agricultural imple-

ments, not otherwise specified, 25 per cent.; woodenware pails, tubs, churns, brooms, brushes, &c., not otherwise specified, 25 per cent.; corks, and manufacture of corkwood, 20 per cent.; corkwood and bark, unmanufactured, free. We now come to glass manufactures, and here the same principle is intended to apply as that which I pointed out in reference to cotton and earthenware. We have selected for a higher rate of duty the description of glassware that can be made in the Dominion. On pressed glass bottles, vials of every description, 30 per cent.; carboys and demijohns, 30 per cent.; telegraph and lightning-rod insulators, 30 per cent.; lamps, globes, etc., 30 per cent.; ornamental, stained, and tinted glass, and glass windows, 30 per cent.; common and colourless window glass, and glass painted, enamelled and engraved, 20 per cent.; and all other glass, not otherwise specified, the non-enumerated rate of 20 per cent. The next class of articles is metal. The first item is pig iron. In dealing with this question, the Government had to take into consideration the important iron interest of the Dominion. It is quite true that a very large deposit of iron is found in the Province of Nova Scotia. Adjacent to it are immense beds of coal, inexhaustible, and no doubt for the Province of Nova Scotia this interest is a very important one, but it is not confined to Nova Scotia. We find, on examining the geological reports and the reports of the officials who have been charged with the enquiring into the extent of our iron deposits show us that in every Province of the Dominion there are large deposits of iron. From the west we have had specimens of iron submitted to us of the most valuable character, made by the application of heat from petroleum, which appears to remove some of the difficulties that have been experienced in producing good iron before, inasmuch as it removes the phosphorus and sulphur which rendered to a great extent that iron valueless. If this be so, we may reasonably expect that in the western part of our Dominion, in Nova Scotia, in the valley of the Ottawa, in the Provinces of Quebec and New Brunswick, we may, by giving some encouragement to this manufacture, or its production, have these interests springing up all over the Dominion and

producing the most beneficial results. We find in every country, no matter what country it is—take England for instance, take France or any other country that has risen to any position of wealth and commercial greatness—and you will find the iron interest is one of the most important interests of that country. I would also instance the United States. It may safely be said that it is the basis of every other industry. It is true we have not developed it to a great extent yet. We have one establishment at present in operation in Nova Scotia, but it will only produce one fourth of our present consumption. There is no reason why we should not supply the whole of the trade in time. There is a great diversity of opinion as to how this protection is to be afforded. It is now proposed to place a duty of \$2 per ton on pig iron; old and scrap, in blooms, slabs, hoops or billets,  $12\frac{1}{2}$  per cent. *ad valorem*; in bars, rolled or hammered, including flats, rounds and squares, band and hoop, sheet, smoothed or polished, coated or galvanized, and common or black, boiler and other plate, Canada plates or squares, nail and spike rods, and all other iron not otherwise herein provided for,  $17\frac{1}{2}$  per cent. *ad valorem*; on rolled round wire rods in coil, under half-inch in diameter, 10 per cent. *ad valorem*; on iron rails or railway bars for railways or tramways, 15 per cent. *ad valorem*; on railway fish plates, frogs, frog points, chairs and finger bars,  $17\frac{1}{2}$  per cent. *ad valorem*; on iron and steel wire, not over No. 18 wire gauge, 25 per cent. *ad valorem*; on tin plates, 10 per cent. *ad valorem*; on castings in the rough, 20 per cent. *ad valorem*; on stoves and other finished castings, 25 per cent. *ad valorem*; on car wheels, 25 per cent. *ad valorem*; on mill irons and mill cranks, and on wrought forgings for mills and locomotives, or parts thereof, weighing 25 pounds or more, 20 per cent. *ad valorem*; on locomotive engines, and on stationary or other steam engines and boilers, and on other machinery composed of iron, or of which iron is the component part of chief value, 25 per cent. *ad valorem*; locomotive tyres of steel, or Bessemer in the rough, 10 per cent. *ad valorem*; seamless boiler tubing, drawn, 10 per cent. *ad valorem*; on bedsteads and other iron furniture, and orna-

mental iron work, 25 per cent. *ad valorem*; on hollow ware tinned, glazed or enamelled, of cast or wrought iron, 25 per cent. *ad valorem*; on hardware, viz.: builders', cabinet-makers', upholsterers', carriage-makers', saddlers' and undertakers', 30 per cent. *ad valorem*; bolts, nuts, washers and rivets, 30 per cent. *ad valorem*; tacks, brads and sprigs, 30 per cent. *ad valorem*; horse-shoes and horse-shoe nails, iron wire nails, called "Point de Paris," 30 per cent. *ad valorem*; iron and steel screws, commonly called "wood-screws," 35 per cent. *ad valorem*; scales, balances and weighing beams, 30 per cent. *ad valorem*; chain cables, over  $\frac{1}{2}$  inch in diameter, shackled or swivelled, or otherwise, 5 per cent. *ad valorem*; anchors, iron masts and wire rigging, when used for ships or other vessels, free; nails and spikes, cut,  $\frac{1}{2}$  c. per pound und 10 per cent. *ad valorem*; nails and spikes, wrought and pressed, whether galvanised or not,  $\frac{3}{4}$  of a cent per pound, and 10 per cent. *ad valorem*; composition nails and spikes and sheathing nails, 20 per cent. *ad valorem*; on sewing machines, whole, and on "heads," or parts of heads of sewing machines, \$2 each; and in addition thereto, 20 per cent. *ad valorem*; on machinery for cotton and worsted mills, not made in the country, free; steel, in ingots, bars, coils, sheets and steel wire, 10 per cent. *ad valorem*; edged tools of all kinds, including axes, scythes and saws; carpenters' coopers' cabinet-makers', and all other mechanics' tools, shovels spades, hoes, hay, manure, and potato forks, rakes and rake teeth, and steel skates, 30 per cent. *ad valorem*; on cutlery, and on other manufacturers of steel, and of iron and steel, not otherwise herein provided for, 20 per cent. *ad valorem*; on knife blades, in the rough, or blades unhandled, and for use by makers of plated ware, 10 per cent. *ad valorem*; copper, old and scrap, and in ingots, pigs, plates, bars, rods, bolts, wire, and in sheets not planished or coated, and for sheathing, 10 per cent. *ad valorem*; seamless tubing, drawn, 10 per cent. *ad valorem*; rivets and burrs, 30 per cent. *ad valorem*; on all manufactures of copper, not otherwise herein provided for, 30 per cent. *ad valorem*; wire of brass or copper, 10 per cent. *ad valorem*;

wire cloth, of brass or copper, 20 per cent. *ad valorem*; brass, old and scrap, and in bars, bolts and sheets, round or flat wire, seamless drawn tubing, and tubing plain and fancy, unfinished, 10 per cent. *ad valorem*; on manufactures of brass, not otherwise herein provided for, 30 per cent. *ad valorem*; church bells, free; yellow metal, in bolts, bars and for sheathing, free; phosphor-bronze, in blocks, bars, sheets and wire, 10 per cent. *ad valorem*; lead, old and scrap, in pigs, blocks, bars and sheets, 10 per cent. *ad valorem*; lead pipe, 20 per cent. *ad valorem*; lead shot, 20 per cent. *ad valorem*; all other manufactures of lead, not otherwise herein provided, 25 per cent. *ad valorem*; tin, in blocks, pigs and bars, and in plates and sheets, 10 per cent. *ad valorem*; on tinware and japanned ware, and on stamped ware, 25 per cent. *ad valorem*; zinc, in pigs, blocks and sheets, and on seamless-drawn tubing, 10 per cent. *ad valorem*; on manufactures of not elsewhere specified, 25 per cent. *ad valorem*; silver and gilt electro-plated ware, 30 per cent. *ad valorem*; German silver in sheets, 10 per cent. *ad valorem*; jewelry, watches, and manufactures of gold and silver, 20 per cent. *ad valorem*; Jewelry is considered, like silk, a luxury, and had it not been for the circumstances affecting this article, it would have been subject to increased taxation. It appears that, even at  $17\frac{1}{2}$  per cent., we only imported last year about \$240,000 worth, and the inducement is so great to smuggle, that the Government propose to leave these articles in the unenumerated list of 20 per cent. We now come to wool and woolen goods. In this case, Mr. Chairman, we have so arranged our proposition for the consideration of this House, that the duty is to be imposed so as to encourage the manufacture of the coarser description of woolens and blankets in the Dominion. We have, at the present time, a large product of wool shut out practically of the American market, and sold there at a very low price on account of the high duty imposed. The Government felt if they could secure a ready and good home market for this important product, they were bound to do it, and they ask the House to sustain them in this proposition. Wool, unmanufactured, hair of the alpaca, goat and other like animals,

and wool waste, free; on manufactures composed wholly or in part of wool, worsted, the hair of the alpaca, goat, or other like animals, viz:—Shawls, blankets and flannels of every description; cloths, doeskins, cassimeres, tweeds, coatings, overcoatings, cloakings, felt cloth of every description, horse-collar cloth, yarn, knitting-yarn, fingering-yarn, worsted-yarn, under number 30; knitted goods, viz:—Shirts, drawers, and hosiery of every description,  $7\frac{1}{2}$ c. per pound, and, in addition thereto, 20 per cent. *ad valorem*; on clothing, ready-made, and wearing apparel of every description, composed wholly or in part of wool, worsted, the hair of the alpaca, goat, or other like animals, made up or manufactured, wholly or in part, by the tailor, seamstress or manufacturer, except knit goods, 10c. per pound, and, in addition thereto, 25 per cent. *ad valorem*; on all manufactures composed, wholly or in part, of wool, worsted, the hair of the alpaca, goat, or other like animals, not herein otherwise provided for, 20 per cent. *ad valorem*; on treble ingrain, three-ply and two-ply carpets, composed wholly of wool, 10c. per square yard, and, in addition thereto, 20 per cent. *ad valorem*; on two-ply and three-ply ingrain carpets, of which the warp is composed wholly of cotton, 5c. per square yard, and in addition thereto, 20 per cent. *ad valorem*; oil cloth for floors, stamped, painted or printed, 25 per cent. *ad valorem*; jute, unmanufactured, and jute balls, jute, manufactures of 20 per cent. *ad valorem*; flax, fibre, scutched, 1c. per pound; flax, fibre, hackled, 2c. per pound; flax tow, scutched or green,  $\frac{1}{2}$ c. per pound; bread-stuffs and barley, 15c. per barrel; buckwheat, 10c. per barrel; Indian corn,  $7\frac{1}{2}$ c. per bushel; oats, 10c. per bushel; rye, 10c. per bushel; wheat, 15c. per bushel; peas, 10c. per bushel; beans, 15c. per bushel; buckwheat, meal and flour,  $\frac{1}{4}$ c. per pound; Indian meal, 40c. per barrel; oat meal,  $\frac{1}{2}$ c. per pound; rye flour, 50c. per barrel; wheat flour, 50c. per barrel; rice, 1c. per pound; rice and sago flour, 2c. per pound; barley malt, 2c. per pound. Dairy produce—Butter, 4c. per pound; cheese, 3c. per pound; flax seed, 10c. per bushel. It is proposed to impose 40c. per barrel on apples; they now pay 10 per cent. On cranberries, prunes and quinces, 30c.

per bushel; peaches, 40c. per bushel; cherries and currants, 1c. per quart; gooseberries, filberts, raspberries and strawberries, 2c. per quart; grapes, 1c. per pound; hops, 6c. per pound, instead of 5c.; honey, 3c. per pound; meats—fresh or salted, on the actual weight as received in Canada, 1c. per pound. At present the duty is collected on 185 pounds to the barrel in the United States, which, when it reaches here, by the effect of the salting, weighs up to 200 pounds. The duty now, therefore, according to the old tariff weight, will be 1c. per pound; bacon and hams, 2c. per pound; meats not elsewhere specified, 2c. per pound. On lard, which is now charged at one cent, it is proposed to make the duty  $1\frac{1}{2}$ c. per pound; fried lard, 2c. instead of 1c.; trees, shrubs, 20 per cent; seeds for field and garden, 15 per cent. Seed in small paper parcels, there is a large quantity brought from the United States put up in small papers at vast labour, the paper for which we tax 20 per cent, and printing in same proportion, it is proposed to place them under a tariff of 25 per cent; potatoes, 10c. per bushel; tomatoes, 30c. per bushel. All other vegetables now 10 per cent., 20 per cent. *ad valorem*. Manures, of all kinds, free. We now come to the proposition in regard to spirits and wines. Spirits and strong waters not having been sweetened or mixed with any article, so that the degree of strength thereof cannot be ascertained by Sykes' hydrometer, and so on in proportion for any greater or less strength than proof, and for every greater or less quantity than a gallon, viz:—Alcohol, rum, whiskey, Geneva gin and unenumerated articles of that kind, \$1.32 $\frac{1}{2}$  per Imperial gallon, instead of \$1.20. Objection was taken to the proposition made by my hon. predecessor, to make the increase on brandy per gallon the same as on gin and whisky, it is now proposed that brandy shall be increased 25c., or \$1.45 per gallon; and that old Tom gin be charged \$1.32 $\frac{1}{2}$  per gallon. I may here state that the proposition which the Government will submit with reference to the excise, is an increase of 10c. per gallon on excise spirits, leaving tobacco where it is at present, except the Canada twist, made from Canadian leaf, which will be reduced from 10c. to 4c. per pound. It was suggested to

the Government that this might be met in another way, by imposing a small duty on the imported leaf, in addition to the excise duty; but in the United States they have reduced the excise duty on tobacco to 16c. If we propose to increase ours beyond 20c. it would encourage smuggling, and we would lose legitimate business and revenue. It was decided not to impose an additional duty upon the imported tobacco leaf, but to meet it in this way, reducing the tobacco manufacture from the leaf of our own growth to 4c. per pound. A resolution will be submitted to reduce the duty on malt from 2c. to 1c. per pound. It is estimated that the increased 10c. a gallon on spirits will give over and above what we lose on malt, \$100,000 additional excise duty. The Government considered that it would be wise to encourage, if stimulants are to be used at all, the use of malt liquors in preference to spirits. Spirits and strong waters sweetened or mixed, so that the degree of strength cannot be ascertained, namely, rum, shrub, cordials, &c., \$1.90 per gallon; spirits or strong waters, imported in Canada, mixed with any ingredients, and, although coming under the denomination of proprietary medicines, tinctures, essences, extracts, or any other denomination, are, nevertheless, deemed spirits and strong waters, and subject to duty as such, \$1.90 per gallon; cologne water and perfumed spirits, in bottles or flasks, not weighing over four ounces each, 40 per cent. Wines and fermented liquors. I may state, at this stage of the proceedings, the reasons that have influenced the Government to submit the proposed sale of duty on wines; one of the proposals, submitted to the Government of France, through Sir A. T. Galt, was that we would place a duty on French wines, at the same rate precisely as that charged in England, namely, 25c. per gallon, or 1s. sterling. These negotiations, though not closed, we may hope, at no distant day, will be successfully arranged. There has been a difficulty between Spain and England with reference to rates of duties imposed by each country on wines. The proposition I am now about to make will, if we arrange with Spain and France, meet the circumstances of the case by the withdrawal of the 30 per

MR. TILLEY.

cent. *ad valorem* duty imposed, leaving it 25c. per gallon, 26 degrees of proof, and increased in proportion to strength, the same as in England. On champagne, the Government asked the House to impose an additional duty. The duty, as it now stands, is lower than that exacted on many of the necessaries of life, and lower than that imposed on the cheaper kinds of wines; and, in order to equalise the rate of duty collected on wines, there is no reason why champagne or sparkling wines should be exempted from a fair contribution to the revenue of the Dominion. Champagne and all sparkling wines in bottles containing each not more than a quart, \$3 per dozen bottles; on bottles containing not more than one pint, \$1.50 per dozen; containing a half pint each or less, 75c. per dozen, and to it is added a duty of 30 per cent. *ad valorem*. Bottles containing over a quart each, will be charged in addition, \$3 per dozen. Liquors imported under the name of wine, containing more than 40 per cent. strength of proof by Sykes' hydrometer shall be rated for duty, as non-enumerated spirits. Wines of all kinds, except sparkling wines, including ginger, oranges, lemons, strawberries, raspberries, elder, and current wines, containing 26 per cent. or less of spirits of the strength of proof by Sykes' hydrometer, imported in wood or in bottles, six quart and twelve pint bottles to be held to contain an Imperial gallon, 25c. per Imperial gallon, and 30 per cent. *ad valorem*. When containing over 26 per cent. and not over 31 per cent. 40c. per Imperial gallon; when containing over 31 and not over 36 per cent., 55c. per Imperial gallon; when containing over 36 and not over 40 per cent., 70c. per Imperial gallon, and in addition to the above specific duty, 30 per cent. per Imperial gallon. Malt liquors, when imported in bottles, six quarts and twelve pint bottles to constitute an Imperial gallon, will be charged 18c. per gallon. When imported in casks or otherwise than in bottles, 10c. per Imperial gallon. Oils, lard, 20 per cent. *ad valorem*; linseed or flaxseed, 25 per cent.; neat'sfoot, 20 per cent.; tallow, per pound, one cent.

#### After Recess.

MR. TILLEY resumed his remarks, saying: At six o'clock I was proceeding

to explain the propositions which the Government propose to submit to the consideration of the House. I take up the subject where I left off. The next articles are gunpowder and other explosives, gun, rifle and sporting powder in kegs, half or quarter kegs and small packages, 5c. per pound; on cannon and musket powder, in kegs and barrels, 4c.; on canister powder in pound and half-pound packages and tins, 15c.; blasting and running powder, 3c.; on giant powder, dynamite and other explosives, with nitro-glycerine as a constituent, 5c. per pound, and, in addition 20 per cent. *ad valorem*; nitro-glycerine 10c. per lb., and 20 per cent. *ad valorem*; salt, except imported from the United Kingdom or any British possession, or for the use of the sea and gulf fisheries which shall be free, in bulk, 8c. per 100 pounds; on barrels, bags and other packages, 12c. per 100 pounds; chemicals, medicines, paints and oils, acid, sulphuric,  $\frac{1}{2}$ c. as at present; acetic, per Imperial gallon, 12 cents; muriatic and nitric, *ad valorem*, 20 per cent.; oxalic, free; saltpetre, 20 per cent., *ad valorem*; essential oils for manufacturing, 20 per cent.; essences of apple, pear, pineapple, raspberry, strawberry, vanilla, and other fruits, \$1.80 per gallon, and *ad valorem* of 20 per cent. This is to cover the spirit duty. Coal tar and coal pitch, 10 per cent. *ad valorem*; varnish, bright and black, for shipbuilders' use, free; all other not elsewhere specified, 20 cents per Imperial gallon, and 20 per cent. *ad valorem*. Colours—bichromate of potash, blue, black, scarlet, and marone, in pulp, Paris green, Prussian blue, satin and fine-washed white, ultramarine and umber raw, free; added to this class, that were formerly dutiable, are Prussian blue, and one or two other colours; paints not elsewhere specified, 20 per cent., *ad valorem*; putty, 25 per cent.; ochres, dry or unground, washed or unwashed, not calcined, 10 per cent.; spirits of turpentine, not enumerated, 20 per cent., *ad valorem*. Coal oils and their products remain as they are; cod liver, medicated, 20 per cent., *ad valorem*; sperm oil, 20 per cent.; neatsfoot, olive or salad, sesame seed, 20 per cent. *ad valorem*; sulphate of quinine, 20 per cent. *ad valorem*; opium crude, 20 per cent. *ad valorem*; prepared for smoking, and all preparations

of, \$5 per pound, the cost being about \$11. The representative of British Columbia will be interested in this duty. Perfumery, including preparations for the toilet, hair oils, powder, pomatum, and other perfumery preparations for the hair, mouth or skin, 30 per cent.; pomades, French or flower odours, preserved in fat oil for conserving the odours of flowers which do not bear the heat of distillation, imported in tins of not less than 10 pounds each, *ad valorem*, 15 per cent.; medicines, or any medicine preparations of which the recipe is kept a secret, or the ingredients a secret, recommended by a bill or label, for the relief or cure of any disorder, in liquid form 50 per cent.; and all others, 25 per cent., as at present. These medicines are at present often the cover for spirits, introduced under their name—(the duty was formerly 25 per cent.); artificial flowers, 30 per cent. *ad valorem*; feathers, ostrich and vulture, undressed, 15 per cent.; dressed, 25 per cent.; furs, hatters', not in the skin, free; skins of all kinds, not dressed, free; dressed, 15 per cent. *ad valorem*; furs, viz., caps, hats, muffs, tippets, capes, coats, as manufactured in cloaks, &c., 25 per cent.; candles, tallow, 2c. per pound; paraffine, wax, 4 per cent.; all others, *ad valorem*, 20 per cent.; India rubber and gutta percha, unmanufactured, free; boots, shoes and other manufactures of India rubber and gutta percha, 25 per cent. *ad valorem*; soap, common, brown, not perfumed, per pound, 1 cent; yellow, castile, and white, perfumed or toilet, 25 per cent. *ad valorem*; starch, including farina corn starch or flour, and all preparations of, 2 c. per pound, as at present; cordage for ships, 10 per cent.; for all other purposes, 20 per cent. I may here state, that, at the opening of my remarks, I referred to a proposition of the Government to treat all articles manufactured in the Dominion, and exported from it, in this way: there shall be a drawback on the materials used in manufactures, equal to the duty paid, on the evidence of their exportation. The proposition is to treat new vessels of every description as an export, duty paid on cordage to be the exception. For, if we allow a drawback on it, we shall close up the establishments maintained now by the supply for ships. It is proposed to increase the duty on cordage to 10 per cent., which duty ships

would have to pay ; but iron in pig, bolts and blooms, on paying duty and being used in vessels, would have the duty paid back. So, practically, ships will be regarded like all other articles exported, all duties being returned to the builder.

An HON. MEMBER: What size of ships?

MR. TILLEY: All sizes and descriptions. We propose 10 per cent. duty on all foreign vessels seeking registration in the Dominion. This extends to all parts of the Dominion. As regards the proposed duty on sugar and molasses, if I occupy the attention of the House for a few moments, I am sure you will pardon me, for it is one of the most difficult questions with which any Government can possibly have to deal. We know there has been great dissatisfaction in the United States as to the mode of levying the duty there; it has been purely specific, levied upon Dutch standard, two and five for all below seven, till it reaches a duty of five cents per pound specific. Dissatisfaction arising from that system has been apparent in that country. Notwithstanding that, several commissions have been appointed to treat this question, and that Mr. Wells, one of the ablest men in the United States, has been asked by the sugar refiners and importers to report on it, and that a very able and elaborate report was submitted; notwithstanding that a proposition has been recently before Congress with reference to this question, no change in the mode of levying the duty has been made. There seems no probability of their arriving at any other conclusion than a specific duty. I will say, for the information of hon. members who may not have studied this question, that the rate of duty imposed in the United States is under the Dutch standard. From No. 7 down they pay the lowest duty. It has been found the very best. Almost pure sugar, amounting to 96 per cent., or even above that, had been admitted at a low rate of duty. Under these circumstances the refiner would receive a drawback of three dollars per 100 lbs. on which he had paid but \$2.15. This principle of specific duty is found to work injuriously in many respects, but still Congress has not repealed or changed it. There have been very strong arguments

MR. TILLEY.

used in that country in favour of *ad valorem* duty, and in the Dominion as well. I do not hesitate to say that many of the arguments are most cogent in many respects. Mr. Wells takes the line that the *ad valorem* principle is the proper one. I may say that, after investigating this matter, if you adopt the *ad valorem* duty at all, it can best be done in the manner which we propose to do in this case. There is a mode in which you can test certain classes of sugar by means of an instrument, the polariscope. It is used satisfactorily for the purpose of testing all the classes of sugar below number 9, or in fact below number 13, especially the low class of sugar, but fails when applied to the yellow refined sugars largely mixed with glucose. Gentlemen who were interested in the importing of that class of sugar were in favour of *ad valorem* duties. I might say if they applied *ad valorem* duties solely they would find that the West India sugar of a bright good character, would be met by this yellow refined adulterated article, in appearance better than the West India sugars. Under these circumstances, seeing the difficulty on both sides, the difficulty in imposing a specific duty, and the difficulty in applying the *ad valorem* principle, the latter having, I admit, some advantages; still, feeling that that article came in and competed successfully with our importation of good grocer's sugar, the Government have fallen back on the proposition submitted in 1868, viz: a mixed duty, specific and *ad valorem*, there has been naturally a difference of opinion between the importers of sugar and refiners, in reference to the point at which additional duty should take place. At the present time the higher rate of duty took place at or above No. 13. The refiners were anxious to continue it at No. 13, whilst the importers desired it at a little higher. We have made a compromise and put it at No. 14. On all sugar above No. 14, Dutch standard in colour, 1c. per pound, and 35 per cent. *ad valorem*. That covered all refined sugar. On sugar equal to No. 9, and not above No. 14, three-quarters of a cent. per pound, and 30 per cent. *ad valorem*. I call attention to the fact that the difference to the refiners is 5 per cent., that all below No. 14 have an *ad valorem*

duty of 35 per cent., giving to the refiners 5 per cent. On sugar below No. 9, half a cent. per pound, and 30 per cent *ad valorem*, provided that the *ad valorem* duty shall be levied and collected on sugar and melado, when imported direct from the country of growth and production, upon the fair market value thereof, at the place of purchase, without any addition for the cost of hogsheads, or other packages or charges, not including export duty, and expenses prior to shipment; anything contained in section 34 of the Act 40th Vic., chap. 10, to the contrary notwithstanding. It means this, that all sugar imported direct from the West Indies to the Dominion shall pay no duty upon packages and ordinary charges. We have added five per cent. to the present duty of 35 per cent. Sugar, not imported direct, will pay a duty on the packages, giving additional encouragement to our direct West India trade. Syrups, cane juice, refined syrup, sugar-house syrup, syrup of sugar, syrup of molasses or sorghum, five-eighths of 1c. per pound *ad valorem*. Melado, concentrated melado, concentrated cane juice, concentrated molasses, concentrated beet-root juice, and concrete, three-eighths of 1c. per pound, and 30 per cent. *ad valorem*. It is estimated, taking the sugar that was imported last year, as shown in the returns made, that this altering of the duties will yield \$200,000 less than under the existing tariff, through having no duty on packages remitted. Molasses, if used for refining, clarifying or rectifying purposes, or for the manufacture of sugar, when imported direct from the country of growth and production, 25 per cent. *ad valorem*. Molasses for the same purposes, when not imported direct from the country of growth and production, 30 per cent. This is to encourage the importation of molasses direct. I cannot see why there was such an extraordinary discrepancy in the value of molasses imported into the different Provinces, 1878. It was, perhaps, owing, to some extent, to the fact that the very blackest and most inferior description of molasses, the refuse which New York and Boston refiners, sent into this country, and it was to prevent, as much as possible, the importation of such molasses that a distinction is made. Molasses, if not so used

when imported direct from the country of growth and production, 15 per cent. The same, when not imported direct from the country of growth and production, 20 per cent. This will be a loss to the revenue of something like \$90,000 or \$100,000; but we will be able to make that up, and more, from additional taxation imposed on other articles. Sugar candy, brown or white, and confectionery, 1c. per pound, and 35 per cent. *ad valorem*. Glucose, or grape sugar, to be classed and rated for duty as sugar, according to grade, by Dutch standard, in colour. Glucose syrup 35 per cent. *ad valorem*. We now come, Mr. Chairman, to the article of tea. The House will probably be prepared, from the statements I made in the early part of the day, to hear that the Government propose to ask Parliament to reimpose a duty of 10 per cent. on tea coming from the United States. I may be pardoned for saying that I think it was a great mistake on the part of my predecessor in standing so firmly and refusing to reimpose this additional duty on tea, and I believe that this House is prepared for a reversal of that decision. It is our intention to ask Parliament to reimpose a specific and *ad valorem* duty, instead of the 5c. per pound now collected. A specific duty of 2c. per pound on black, and 3c. on green and Japan, and 10 per cent. *ad valorem*. The result of our policy in that direction will be to decrease, to some extent, the revenue, say \$100,000, as the cost of the tea, when imported direct, is less than if bought in New York. Coffee, green, 2c. per pound; roasted or ground, and all imitations of and substitutes for, 3c. per pound. Cocoa paste and chocolate, not sweetened, 20 per cent. *ad valorem*; cocoa paste, chocolate, and other preparations of cocoa, when containing sugar, 1c. per pound and 25 per cent. *ad valorem*. Now, Mr. Chairman, I have not taken up every article on which we propose to change the rate of duty, and, in order that the House and the country may not be led astray, I shall read the free list, because, unless I do so, it may be supposed that all the articles that I have not mentioned are in the free list. Animals for the improvement of stock; ancer; antimony; ashes, pot, pearl and soda; apparel, wearing and other apparel;

of household effects, not merchandise ; arsenic ; articles for the use of the Governor-General, foreign consuls, army and navy, army clothing, musical instruments, military stores, etc. ; bamboo reeds, no further manufactured than cut into suitable lengths for walking-sticks ; canes, in sticks for umbrellas, parasols and sunshades ; bamboo, unmanufactured ; barrels for Canadian manufactures, exported and filled with domestic petroleum and returned ; bells for churches, bismuth, bone ash for the manufacture of manure, bromide, bullion, gold and silver ; bichromate of potash, carriages laden with merchandise, cabinets of coins and models, canvass for the manufacture of floorcloth, gutta percha, cat-gut strings for musical instruments, citrons and rinds for candy ; clothing, being donations for charitable purposes ; coins, gold and silver, except United States silver coin ; communion plate, cotton waste and cotton wool ; diamonds unset, including black diamonds ; dyeing or tinting articles in a crude state ; earths, grass and pulp for the manufacture of paper, vegetable fibre for manufacturing purposes, fish-bait, fish-hooks, lines, fishing tackle, ginseng root, gold beaters' moulds, grease and grease scraps, for manufacturing purposes ; gravels, guano and other animal or vegetable manures, gums, gum arabic, hemlock bark, hemp undressed, hides raw, horse hair, india rubber, indigo, isinglass, glue, ivory, iron masts for ships or barges, iron cables and chains over one-half inch in length, shackled or unshackled ; jute, liquorice, roots, lemons and rinds of lemons for candying ; logs round, and unmanufactured timber not otherwise provided for ; lumber, plank and boards sawn, or box wood, pitch pine ; Spanish cedar, oak, hickory and white wood not shaped, planed or otherwise manufactured ; locomotives, passengers' baggage passing from one country into another, vanilla grass, mica, mineral specimens, models of invention and other improvements in the arts ; Iceland moss, horses, cattle, carriages, harness, under regulations to be provided by the Minister of Customs ; machinery for worsted and cotton mills of kinds that are not manufactured in Canada. There is an exception made in this case, because we have no cotton machinery in the country, and not likely to have ; therefore, in

MR. TILLEY.

order to encourage this industry, it is proposed to make them free. Nitrate of soda, nut galls, newspapers, cocoa-nut oil, palm oil, palm-leaf oil, carbolic oils, used in the manufacture of wooden pavement ; wood for building and railroad purposes, oxalic acid, mother of pearl unmanufactured, philosophical instruments and apparatus, including globes, when imported for the use of colleges, schools, scientific and literary societies ; phosphorus, pitch pine, plaster of Paris, pumice and pumice stone, precipitate of copper, rags of cotton, paper waste, and waste of any kind for the manufacture of paper ; rosin, rhubarb root, saffron and saffron flower, skins undressed, silicate of soda, sulphur in roll and flour, tampico, tanner's bark, tobacco unmanufactured, for excise purposes, under conditions of Act 31 Vict. chap 31 ; tortoise and other shells, turpentine, traveller's baggage under regulations, blue vitriol, verdigris, vegetable fibres, whiting, whalebone unmanufactured, whale oil in cask in the condition in which it was first landed ; wool. I have not touched upon all the changes we propose to make, and they will be carefully read, no doubt, from the Chair, but I have dealt with the larger and more important ones. It appears to me, Mr. Chairman, that the Government have endeavoured, and I think the House will agree with me—whether successfully or not—to carry out the policy that we were pledged to inaugurate. We have endeavoured to meet every possible interest—the mining, the manufacturing, and the agricultural interests. We have endeavoured to assist our shipping and ship-building interest, which is in a very depressed condition. We have endeavoured not to injure the lumber interest, because they now have a very important article used by their people at about the same rate of duty they had it before—I refer to pork. They have tea at a cheaper price than before ; they have molasses cheaper. These articles enter largely into consumption with them. They have, as have every other class of exporters in the Dominion, many advantages under the propositions that we are about to submit that they did not enjoy before, in the interest of lumbermen and of commerce generally. The present Govern-

ment, as well as our predecessors, have expended large sums of money for the improvement of the navigation of our rivers and of our coast, by the erection of lighthouses, and in their maintenance. This, of course, is an advantage to the shipping interests as well. A proposition is to be submitted to the House, which you will find in the Estimates, of extending a telegraph down the St. Lawrence. This proposition was submitted to the people of the Dominion by that able and experienced gentleman, a member of this House. I need not name him, because the interest he has taken is well known. This proposition is in the interest of commerce, and of our shipping, and of humanity. It is in the interest of every industry that exports any article from this country to the old world, because an expenditure of this kind will reduce the rate of charges in the shape of insurance and other charges on the shipping, and that is more absolutely in the interest of the exporter than in the interest of the owner of the ship. But while we have been looking around to see what new modes of taxation might be used in raising additional revenue—and you will observe, Sir, that, by these propositions, we are resorting to no new mode of taxation—it was suggested that the shipping interest might fairly contribute towards the maintenance of the lights. In olden times they did contribute. In some of the Provinces, before the Union, we obtained a sufficient amount from the shipping to maintain these lights, and the hospitals for sick and disabled seamen; but we thought it desirable to give the owners of shipping and the exporters, and, indeed, the importers, and the commerce of the country, the advantage of free lights. In our policy, as just propounded, we have dealt with the agricultural interest, the mining interest, the shipping interest, indirectly with the lumbering interest, and with very many interests, without touching heavily at all upon any other interest; and it does appear to me, Sir, that we have now arrived at the time when it becomes necessary for this country, for this Parliament to decide whether we are to remain in the position we now occupy, with a certainty that, within two years, with the existing laws upon our Statue-book, almost every manufac-

turing industry in the country will be closed up, and the money invested in them lost. The time has arrived, I think, when it will become our duty to decide whether the thousands of men throughout the length and breadth of this country who are unemployed, shall seek employment in another country, or shall find it in this Dominion; the time has arrived when we are to decide whether we will be simply hewers of wood and drawers of water; whether we will be simply agriculturists raising wheat, and lumbermen producing more lumber than we can use, or Great Britain and the United States will take from us at remunerative prices; whether we will confine our attention to the fisheries and certain other small industries, and cease to be what we have been, and not rise to be what I believe we are destined to be under wise and judicious legislation, or whether we will inaugurate a policy that will, by its provisions, say to the industries of the country, we will give you sufficient protection; we will give you a market for what you can produce; we will say that while our neighbours build up a Chinese wall, we will impose a reasonable duty on their products coming into this country; at all events, we will maintain for our agricultural and other productions, largely, the market of our own Dominion. The time has certainly arrived when we must consider whether we will allow matters to remain as they are, with the result of being an unimportant and uninteresting portion of Her Majesty's Dominions, or will rise to the position, which, I believe Providence has destined us to occupy, by means which, I believe, though I may be over sanguine, which my colleagues believe, though they may be over sanguine, which the country believes are calculated to bring prosperity and happiness to the people, to give employment to the thousands who are unoccupied, and to make this a great and prosperous country, as we all desire and hope it will be.

MR. MACKENZIE: Will the hon. gentleman give us an estimate of the revenue of the coming year? We have heard nothing of that.

MR. TILLEY: I am very much obliged to my hon. friend. I was not aware that I had passed it over. I have

here a comparative statement, which I will read:—

ORIGINAL ESTIMATE, 1878-79.	1878-79.	1879-80.
Canals and minor Public Works.....	\$ 445,000	\$ 450,000
Railways.....	1,481,000	1,500,000
Post Office.....	1,200,000	1,200,000
Bill Stamps.....	190,000	200,000
Interest on Investment.....	670,000	700,000
Miscellaneous.....	600,000	600,000
Excise (1879-80).....	4,614,000	
Excise Revenue of this year collected in 1878-9.....	358,000	4,972,000
Excise (1878-79).....	5,213,406	
Less Excise of 1879-80 at old rates collected this year..	322,000	
	4,891,400	
C u s t o m s (1879-80).....	14,000,000	
Customs Revenue of this year collected in 1878-79.....	500,000	14,500,000
C u s t o m s (1878-79).....	12,640,000	
Less C u s t o m s of 1879-80 collected this year.....	500,000	
	12,140,000	
	21,670,400	24,122,000

MR. MACKENZIE: What I desire was rather an estimate of the products expected under the proposed fiscal changes.

MR. TILLEY: I thought that would be better explained as we came to the items. I may state, however, that we estimate an increase from the operation of this new tariff of \$2,200,000. The Government have been exceedingly anxious, heavy as the imposition of some of the taxes are, that in the future we shall have no deficits. The credit of the country requires, and we believe the country will justify us in collecting such a revenue as will meet the requirements of the country.

MR. TILLEY.

MR. CARTWRIGHT: Before you put those resolutions, Sir, I desire to make a few remarks upon the statement we have just heard, and also upon the general policy which is now, for the first time, propounded to a Canadian Legislature. It will not surprise you, Mr. Chairman, or those of my hon. friends who, in former days, were members of the House of Commons of 1873, if I venture to hint to this House that, if we are to judge of the present by the past, we may very well doubt, though we have got the Budget speech, whether we have got the Budget itself after all. Sir, I very well recollect the circumstances attendant on the delivery of the Budget speech of 1873; and, if ever there was an occasion when a Canadian Minister of Finance ought to have made a full and frank statement to the House of Commons, it was at the moment when we were committing ourselves to a huge host of enterprises which every man who knew anything whatever of the real state of Canada knew must tax our resources to the very uttermost. How did the hon. gentleman fulfil his trust on that occasion? He told the House to-day, and truly enough, that he was complimented by gentlemen on this side of the House on the mode in which he fulfilled his task; but he failed to tell the House that he obtained their commendations under false pretences; that, had the true statement which was ultimately submitted to the House been made then; had the facts as they appeared in the closing days of that Session been known at that time, never would a Budget have been so determinedly fought on the floor of the House of Commons as the Budget which the hon. gentleman then submitted. Fortunately for that hon. gentleman circumstances of a very peculiar character wholly diverted public attention from the Budget he then submitted; and his subsequent retirement from public life makes this practically the first public occasion on which he can be taken to task for the mode in which he then performed his duty. Sir, that hon. gentleman, in 1873, made a Budget speech, in which he informed us that the total expenditure in that year would amount to \$20,941,183, against estimated receipts of \$21,740,000, leaving an apparent sur